

## **REMARKS**

In reply to the Office Action mailed April 21, 2005 Applicant requests entry of the amendments listed above and consideration of the following remarks.

Applicant has amended the specification to better clarify the invention. The amendments to the specification add no new matter.

### **Rejections under 35 U.S.C. 101**

The Examiner rejected claims 1 - 6 and 18 - 24 under 35 U.S.C. 101 because "the claimed invention is directed to non-statutory subject matter. The claimed invention consists solely of the manipulation of an abstract idea and is not concrete or tangible." In support the Examiner cites *In re Warmerdam*, 33 F.3d 1354 at 1360-61, and *Schrader* 22 F.3d at 295.

According to the Federal Circuit, the proper inquiry under 35 U.S.C. § 101 is to determine whether the claim includes recitations that produce "a concrete, tangible and useful result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1373 (Fed. Cir. 1998); *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1358 (Fed. Cir. 1999). If so, the claim is not abstract and has practical utility (*Id.*), and, if the claim is not abstract and has practical utility, it is statutory under 35 U.S.C. § 101. *Id.*; see also, M.P.E.P. § 2106(IV)(B)(2)(b)(ii) (8<sup>th</sup> Ed., Rev. 2, May 2004) ("A claim is limited to a practical application [i.e., is directed to statutory subject matter,] when the method, as claimed, produces a concrete, tangible and useful result; i.e., the method recites a step or act of producing something that is concrete, tangible, and useful.").

The Examiner further states, relying on *Bowman*, 61 USPQ.2d 1665 at 1671, that “The invention in the body of the claim must recite technology. If the invention in the body of the claim is not tied to technological art, environment, or machine, the claim is not statutory.”

The Examiner’s reliance on *Ex parte Bowman*, is misplaced. First, *Bowman* does not add a “technological arts” prong to 35 U.S.C. § 101. In *Bowman*, the Board “interpret[ed] the [E]xaminer’s [§ 101] rejection as finding that the claimed invention before us is nothing more than an abstract idea . . . .,” and based its affirmance of the rejection on its finding that “that the invention before us is nothing more than an abstract idea.” 61 USPQ2d 1669, 1671 (BdPatApp&Int 2001) (unpublished). Thus, the Board in *Bowman* correctly applied the *State Street* test. Second, to the extent that *Bowman* is inconsistent with *State Street* the decisions of the federal courts control: the Board of Patent Appeals and Interferences does not have the authority to add “prongs” to 35 U.S.C. § 101 to create a “technological arts” rejection that the *State Street* court did not.

Amended Claim 1 recites “A computer-implemented method for clearing offers . . .” and produces at least one result by associating advantaged offers with available most favorable disadvantaged offers. One concrete and tangible effect of such an association is the creation of a buy-sell contract between the entities generating the offers in the marketplace. Thus, Claim 1, contrary to the Examiner’s characterization produces a useful, concrete, and tangible result.

Amended Claim 16 also recites “A computer-implemented method of generating events to be posted to a marketplace” and also produces at least one result by associating advantaged offers with available most favorable disadvantaged offers.

Again, one concrete and tangible effect of such an association is the creation of a buy-sell contract between the entities associated with the offers. Thus, Claim 16, contrary to the Examiner's characterization also produces a useful, concrete, and tangible result.

Claims 2 -6 and 8-15 depend from claim 1 and are allowable for at least the same reasons.

Claims 17 - 24 depend from claim 16 and are allowable for at least the same reasons.

#### **Rejections under 35 U.S.C. 112**

The Applicant has amended claims 1 - 3, 5 - 8, and 10 -16 to better clarify the invention. Specifically, Applicant has amended the claims to refer specifically to the different types of offers where required by the claim language. Accordingly, Examiner's rejections under 35 U.S.C. 112 are now moot.

#### **Rejections under 35 U.S.C. 102**

The Examiner rejected claims 1 - 24 as anticipated by US 6,631,356 to Van Horn et al. ("Van Horn"). Specifically, the Examiner states that "as to claims 1 and 16, Van Horn et. al. disclose a method for processing offers intended to be associated with offers with specifications for conditions for acceptance by; receiving a plurality of offers; associating offers with offers; receiving a plurality of offers, determining which offers have a more favorable specification; and associating offers with offers (see figs. 1 -3, col. 1, lines 20 - 25, col. 7, lines 1 -65, cols. 11 - 15). Specifically, as to claims 2 -15 and 17 - 24, see above recitations for claims 1 and 16."

Applicants respectfully traverse. Van Horn is directed to a method for a seller to move larger volumes of a *specific* product by enabling buyers to join a *seller-created*

*and defined co-op* in which the single price paid by all buyers in the co-op is determined by the number of people who have joined the co-op as of the close of the co-op. Van Horn has only *one seller*. In contrast, amended claims 1 and 16 relate to a method for clearing offers with *multiple buyers and sellers* in a *generic marketplace*, “the method comprising: receiving a plurality of advantaged offers” which, are associated with “one or more available most-favorable disadvantaged offers ...” In Van Horn, an *identical* product (identical product with identical conditions of sale) is offered by a single seller to multiple buyers. In contrast, as recited in claims 1 and 16, advantaged offers may specify different conditions for acceptance and “conditions of acceptance of each advantaged offer are met by each associated disadvantaged offer.” Therefore, claims 1 and 16 are not anticipated by Van Horn, and are allowable over the disclosure in Van Horn.

Claims 2 - 15 depend from claim 1 and are also allowable over Van Horn for at least the same reasons as in claim 1.

Claims 17 - 24 depend from claim 16 and are also allowable over Van Horn for at least the same reasons as in claim 16.

In light of the foregoing distinctions, Applicants respectfully request that the rejections be withdrawn.

### **Conclusion**

As a result of this Amendment, claims 1-24 are currently pending. The following remarks are submitted to be fully responsive to the Office Action. Reconsideration of this application in light of these remarks and allowance of this application is respectfully requested.

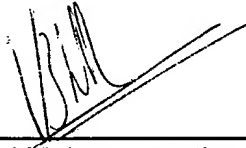
In view of the foregoing amendments and remarks, Applicant respectfully requests reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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